



■ John M. Skeriotis

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November 30, 2007

John Passarelli, Esq.  
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Kutak Rock LLP  
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**FRE 408 SETTLEMENT DISCUSSIONS**  
**ORIGINAL BY MAIL**  
**VIA E-MAIL**  
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Re: Good Faith Settlement Offer  
*Soilworks, LLC v. Midwest Industrial Supply, Inc.*  
Case No. 2:06-CV-02141-DGC  
Our Ref.: 21786.43708

Dear Scott and John:

Pursuant to the Court's Order regarding the deadline for engaging in good faith settlement negotiations, I am providing you with an offer of settlement regarding the above-captioned case.

As discussed with both of you, I have repeatedly requested an official, written settlement offer from Soilworks and, to date, I have received no such written settlement offer. I have written my concerns regarding the need for a written settlement offer in e-mails to both of you.

Notwithstanding the above, Midwest is willing to settle the above-captioned dispute with Soilworks on the following confidential terms and conditions. The following terms and conditions would be pursuant to a written settlement agreement that dismisses all causes of action, including counterclaims, *with prejudice* and both parties paying their own attorneys' fees.

Settlement Terms:

1. Soilworks shall immediately cease and desist from using/stating the following in all advertisements, promotional materials, etc., including, but not limited to, the World Wide Web:
  - a. synthetic organic dust control agent;
  - b. claims that it is a manufacturer;
  - c. ultra pure;
  - d. oil sheen free;
  - e. environmental claims where no testing/data exists including, but not limited to environmental/aquatic toxicity.

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2. A financial settlement paid to Midwest of US \$1 per gallon of Durasoil products sold to date.
3. Acknowledgement that the Midwest patents-in-suit are valid and that Soilworks will take no action whatsoever seeking to invalidate the patents including, but not limited to, declaratory judgment proceedings, reexamination, or aiding any third party seeking to invalidate the Midwest patents-in-suit.
4. Midwest will agree not to publicize anything indicating that the Durasoil product is an infringement of the Midwest patents-in-suit.

Please let me know your client's position with respect to the above settlement offer on, or before, Wednesday, December 5, 2007.

Very truly yours,

**BROUSE MCDOWELL**

A handwritten signature in black ink that reads "John M. Skeriotis". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

John M. Skeriotis